

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Substantively  
Consolidated SIPA Liquidation of Bernard L.  
Madoff Investment Securities LLC and Bernard L.  
Madoff,

Plaintiff,

v.

Stanley Shapiro, *et al.*,

Defendants.

Adv. Pro. No. 10-05383 (SMB)

---

**STIPULATION AND ORDER AS TO UNDISPUTED TRANSFERS  
TO DEFENDANTS KENNETH CITRON AND LESLIE S. CITRON  
FROM BLMIS ACCOUNT NO. 1C1251**

---

The plaintiff, Irving H. Picard (“the Trustee”), as trustee for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.* (“SIPA”), and the substantively consolidated estate of Bernard L. Madoff under chapter 7 of the United States Bankruptcy Code, 11 U.S.C. §§ 701 *et seq.* (the “Code”), and the defendants Kenneth Citron and Leslie S. Citron (together, the “Citrons”), by and through their respective, undersigned counsel, state as follows:

**WHEREAS**, in the Trustee's Second Amended Complaint (the "Complaint" (ECF No. 33)), as it now stands in this adversary proceeding, the Trustee alleges that BLMIS made certain transfers to the Citrons relating to one or more investment advisory accounts at BLMIS;

**WHEREAS**, in the Complaint, the Trustee seeks to avoid and recover from the Citrons certain transfers or their value as fraudulent pursuant to, *inter alia*, sections 105(a), 548(a)(1)(A), 550, and 551 of the Code;

**WHEREAS**, the Citrons has raised certain defenses to the claims asserted in the Complaint;

**WHEREAS**, the Trustee issued in this adversary proceeding a subpoena to JPMorgan Chase, N.A. (the "Subpoena") seeking, *inter alia*, certain bank records relating to one or more bank accounts held by, for the benefit of, or on behalf of either or both of the Citrons; the Citrons objected to the Subpoena; and JPMorgan Chase, N.A. advised the Trustee and the Citrons that it had no documents responsive to the Subpoena; and

**WHEREAS**, the Trustee and the Citrons have conferred in an attempt to resolve, where possible, certain differences and disputes between, and the Trustee and the Citrons are entering into this Stipulation to avoid unnecessary litigation, time, and costs over undisputed facts and in the interest of efficiency.

**NOW, THEREFORE**, the Trustee and the Citrons agree and stipulate to the following undisputed facts:

1. Between December 12, 2006 and December 11, 2008, a total of \$150,000.00 was withdrawn from Account No. 1C1251 (the "Two-Year Withdrawals").
2. The Citrons received each of the Two-Year Withdrawals.

3. Of the Two-Year Withdrawals, \$150,000.00 was in excess of principal, as that term is used in the report entitled “Methodology for the Principal Balance Calculation” submitted by Matthew B. Greenblatt, an expert retained by the Trustee, in the consolidated liquidation proceedings.

4. In light of the facts stipulated herein and the lack of any documents responsive to the Subpoena, the Trustee will not seek documents or other discovery from any bank or other financial institution at which either or both of the Citrons have held or currently hold an account.

5. By executing this Stipulation, the Citrons in no way concede or admit liability under sections 548, 550 or any other applicable section of the Code, the New York Debtor & Creditor Law, SIPA or any other applicable law.

6. This Stipulation is without prejudice to the Trustee asserting claims, or re-asserting previously dismissed claims, to avoid and/or recover any additional or other transfers received by the Citrons, including any subsequent transfers, determined through the Trustee’s continuing investigation and discovery, and, in the event such claims are asserted or re-asserted, to seek discovery relating to such claims.

7. This Stipulation is without prejudice to the Citrons to oppose any further claims asserted or re-asserted by the Trustee with respect to additional or other transfers.

*[remainder of page intentionally left blank]*

Respectfully submitted,

/s/ James H. Rollinson

**BAKER & HOSTETLER LLP**

127 Public Square

Cleveland, Ohio 44114

James H. Rollinson

Email: jrollinson@bakerlaw.com

and

45 Rockefeller Plaza

New York, New York 10111

David J. Sheehan

Email: dsheehan@bakerlaw.com

Ona T. Wang

Email: owang@bakerlaw.com

Torello H. Calvani

Email: tcalvani@bakerlaw.com

*Attorneys for Irving H. Picard, Trustee for  
the Substantively Consolidated SIPA  
Liquidation of Bernard L. Madoff  
Investment Securities LLC and the Estate  
of Bernard L. Madoff*

Respectfully submitted,

/s/ Barry R. Lax

**LAX & NEVILLE LLP**

1450 Broadway, 35<sup>th</sup> Floor

New York, New York 10018

Barry R. Lax

Email: blax@laxneville.com

Brian J. Neville

Email: bneville@laxneville.com

*Attorneys for Kenneth Citron and Leslie S.  
Citron*

**SO ORDERED this 23<sup>rd</sup> day of February, 2018.**

**/s/ STUART M. BERNSTEIN**

**HONORABLE STUART M. BERNSTEIN  
UNITED STATES BANKRUPTCY JUDGE**